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Address

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Box 232



Stevens Hotel

Chicago, Illinois

October 24, 1927

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President of the

Institute of American Meat Packers



Stevens Hotel

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October 24, 1927

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President R. M. Butler
11-17-27

I. The Year in the Institute

It is with much pleasure that I welcome you to the Twenty-Second Annual Convention of the Institute of American Meat Packers. Your custom of coming each year to the annual meeting, in increasing numbers, speaks well for both your support of the Institute and your estimate of its value to you.

The general subject of our convention this year is, as you know, "Meeting the New Competition"—the competition which has arisen during recent years between whole industries and which has revolutionized a large part of our industrial structure.

Concretely, the new competition is the sort of competition which the coal industry feels from oil; the competition from the rayon industry which has hit the silk industry, and the cotton industry; the competition from mechanical refrigeration which is worrying the ice industry; the competition from the vacuum cleaner which alarms the broom manufacturer; the competition between steel and concrete, and between leather and substitutes; the competition which the wooden shingle manufacturers have had to meet from the prepared roofing industry; the competition which the packer encounters from the aggressive effort of scores of other food industries to direct to themselves a greater share of the consumers' affections and dollars. There are hundreds of examples of the changes in our industrial structure which the new competition has wrought. The industrial evolution of the new competition

is vastly more rapid than the evolutions of nature.

When this association was organized in 1906, the new competition was unrecognized. A business man's greatest and most feared competitors were those in his own business.

Today, the new competition is one of the basic problems, perhaps the basic problem of our industry and the theme of our whole convention, just as it is the central theme of business men's thoughts everywhere.

The growth of the new competition and the growth of trade associations have been practically synonymous. Trade associations, in a sense, are an outgrowth of the new competition—a banding together of the different units of an industry in self defense and for mutual advancement.

One unfortunate effect of the new competition is an intensification of the old type of competition—the competition for business and for profits between competitors in the same industry. This is due both to slackening demand and to the in-born idea that one's nearest competitor is the cause of all one's troubles.

Never before in the packing industry has competition been so keen as during the last few years. Never before has the successful conduct of our business required so much care, so much attention, and so much unrelenting watchfulness. And even then, it has been difficult to show a reasonable profit and impossible to maintain a steady one.

Under the stress of such disheartening competition, it has been a natural tendency to seek the cause in the acts and policies of our competitors. In doing this we perhaps have confused consequences with causes and overlooked the

fact that this phase of our difficulties is the outgrowth of economic factors over which the individuals in the industry had little or no control.

With its long standing tradition of narrow margins and extremely moderate profits, no new form of competition has been needed in the packing industry. But it is here and it must be met.

The effects of the new competition and the ways in which it is being met by the packing industry and by other industries will be explained to you in some detail by the speakers who will address you this afternoon and tomorrow.

A strong trade association, fostering orderliness, efficiency, research, and publicity is undoubtedly the most potent weapon with which to combat the new competition.

Viewed from this standpoint, the existence and program of the Institute must be of special interest to us all.

Ham and Bacon Campaign

Undoubtedly the most spectacular activity of the Institute during the year was the co-operative ham and bacon advertising and merchandising campaign which was conducted throughout the country during July and the first three weeks of August.

This campaign was highly successful—more so for some than for others. Some of the companies which participated increased their ham business during July and August as much as 300 per cent over the same period of 1926. There were many increases of 50 per cent and more, and, although some companies reported decreases, the average increase undoubtedly was well above 25 per cent for ham and 15 per cent for bacon.

With heavy stocks of product at the beginning of the campaign and with heavy production through July and August, the campaign was successful in moving tremendous quantities of smoked meats.

But the greatest value of the campaign, in my opinion, is that it kept prices from falling to disastrous levels and prevented losses for all of us that would have been most disturbing.

In brief, those firms which most aggressively and vigorously followed up the opportunities offered by the campaign profited most from it, and those firms which did not profit directly from the campaign undoubtedly were saved by the campaign from a price decline which would have been most serious in its effects.

Less spectacular, perhaps, but of great importance to the industry has been the regularly scheduled work of the Institute. Starting with the production of the packers' raw material, live stock, and continuing through the packing plant and retail store, and reaching to the consumer, these activities have contributed materially to a more efficient live stock and meat industry.

Activities in Connection with Raw Materials

One of the most interesting activities in connection with the production of raw material is the extensive experiment being carried on at Purdue University on funds supplied by the Institute and with the counsel of the Committee on Improved Live Stock Production and the Institute's Department of Waste Elimination and Live Stock, to develop the most efficient type of hog for meat purposes. Startling results already have been indicated by the experimental work.

In addition to this experiment, extensive work to reduce live stock losses has been carried on by the Department of Live Stock, under the direction of the Committee on Live Stock Losses. With the very vigorous co-operation of the Western Weighing and Inspection Bureau, and the use of attractive exhibits and motion pictures, information on the proper handling of live stock and on the losses from mishandling have been brought forcibly to the attention of thousands of producers.

Through the offer of silver medals to the boys' and girls' clubs showing the best bred live stock at leading shows, the production of improved raw material for the packing industry has been stimulated.

This Department also represented the Institute in the important negotiations with the National Better Beef Association relative to the proposal to grade and mark beef.

Operating Activities

Greater efficiency in the operating department of the packing industry has resulted from the activities of the Institute's Committee on Packinghouse Practice and Research and the Department which functions under the Committee's guidance.

One of the most important activities in this field during the last year has been the making of surveys in new processes, new supplies, and new machines offered for use in the packing industry, as well as surveys of the efficiency of processes and methods now in use. Facts developed by these surveys have been transmitted to member companies of the Institute for their information

in connection with any use they may contemplate making of the commodities tested.

An example of one of the studies made relates to the use of coal per head of live stock slaughtered in different plants. This study revealed such a wide variation in the use of coal that a bulletin was issued to the membership, directing attention to the opportunities for saving in coal consumption. As a result of this bulletin, a number of members have investigated conditions in their plants and have made important changes which have enabled them to reduce their coal consumption substantially.

The work of providing adequate textual material on various phases of packinghouse operations was continued during the year. A volume on "Plant Operating Service and Control" was issued and the volume prepared previously on "Manufacturing Operations" was revised. This material is used in connection with the courses in the Institute of Meat Packing and elsewhere and by men in the industry who wish to keep themselves abreast of the latest operating practice.

Further work was done during the year on the standardization of packinghouse equipment and supplies. Definite recommendations and specifications have been issued to the membership on ropes, twine, muslin, cheesecloth, paper, brushes, and express bodies for one-ton trucks.

Benefits from standardization are known to all of us. Through standardization it has been possible to reduce inventories, both in the plant and in the factory, and manufacturers have been able to supply a better product without increased cost, and, at times, at lower cost.

In addition to these very valuable services, the Committee and Department on Packinghouse Practice and Research have supplied valuable service in answering inquiries from members on a variety of subjects, ranging from the proper clothing of beef to the recovery of grease from bleaching materials.

Traffic Activities

Activities of the Committee on Traffic have included the supplying of helpful information in response to inquiries from member companies and the consideration of traffic matters of importance to the entire industry. An example is the close attention given recently to the Southern Freight Classification proposals.

Purchasing Activities

Another activity that has benefited member companies greatly has been the work carried on by the Committee and Department of Purchasing Practice.

By taking advantage of the attractive prices on packinghouse supplies which this work has made possible, I believe that any member company can make savings that will be greater than its membership dues. In other words, any company which so chooses can belong to the Institute and obtain all the benefits of membership practically without cost.

I strongly urge any member company that is not now buying through the Institute Equipment and Supply Company to investigate promptly the prices at which supplies are obtainable.

Committee on Sausage

Valuable service in behalf of a very important division of the industry was performed by the Committee on Sausage, which functions with staff assistance supplied by the Department of Public Relations and Trade. The Committee has been following most closely B. A. I. Order No. 305, which becomes effective December 1 and which will prohibit the importation of animal casings unless they are accompanied by a certificate bearing the signature of the national government official having jurisdiction over the health of animals in the country in which the casings originated.

The Chairman and other members of the Committee have held frequent meetings with officials of the B. A. I. and with representatives of casing companies, and have taken other important steps to safeguard the supply of casings.

An Accounting Department Established

It has long been my conviction that the Accounting Department is probably the most important department of the packinghouse. It has been a source of great pleasure to me that it was possible recently to establish a Department of Accounting as part of the staff organization.

With the counsel and guidance of the Committee on Accounting, it is my hope and belief that this department will make important contributions to the science of packinghouse accounting and will help solve some of the industry's most vexing problems.

Scientific Research Activities

Scientists, with their amazing discoveries of substitute products and of new uses for old

products, have been responsible for much of the new competition.

The activities of the Committee and Department of Scientific Research of the Institute therefore are of unusual interest to all of us.

Important accomplishments during the year include the completion of a study of the use of sodium hypochlorite as a disinfectant for packinghouse use and the issuance to the membership of information concerning its manufacture and use.

For years a need has existed for an effective, economical, inoffensive, non-poisonous, cleansing agent for use in the packinghouse. The indirect losses arising from the lack of such an agent have been very great. Adoption of the use of sodium hypochlorite by a large part of the membership has greatly reduced mold and spoilage problems. A very pretty and significant development!

A study of the action of various curing ingredients on ham souring bacteria has demonstrated clearly that both nitrates and nitrites function to protect product from spoilage during the curing period. It previously had been believed that these curing ingredients had no other function than that of color fixation.

A further study has been made of ham souring. This work further confirms the fact that the causation of ham souring antedates slaughtering and that prompt, careful, and adequate chilling is the largest factor in its control.

Assistance was given to many companies during the year in connection with the introduction of sodium nitrite as a curing material. Considerably more than one hundred companies now

use it exclusively or in part. It is becoming apparent that the use of nitrite, when skillfully handled, results in a milder cure at a reduced cost.

It will be recalled that the research work done by the Institute was an important factor in the introduction of the nitrite cure and in its approval by the Bureau of Animal Industry.

An important study is being conducted on the effect of impurities in salt on the rate of penetration into meats in cure. So far, no differences have been found between pure salt and salt products in which the total impurities amounted to 2 per cent.

Additional investigations of importance are being carried on in connection with the cause of and retardation of corrosion, in connection with the action of ozone on molds, and in connection with the stability of lard.

Industrial Education

Although the Institute's industrial education activities are only four years old, they already have gained a firm foothold. More than a thousand men last year took courses in meat packing subjects offered by the Institute of Meat Packing, which, as you know, is conducted at the University of Chicago by the University and the Institute of American Meat Packers, in co-operation.

In addition, evening classes in packinghouse subjects are available in several important packinghouse centers.

The Institute's participation in this far-reaching work is handled by the Committee and Department of Industrial Education. Closely

related to industrial education is the subject of industrial relations. The Institute's activities in this field consisted of the preparation by members of the Committee on Industrial Relations and others of material for booklets on important industrial relations subjects. Several booklets were issued during the year.

Foreign Relations and Trade

In the export field, the Committee on Foreign Relations and Trade has been continually active in behalf of the exporter of meats. In addition to handling the numerous questions which arose in connection with the British borax regulations, the Committee acted as a representative of the packing industry in negotiations with the North Atlantic—U. K. Freight Conference concerning the advance in ocean freight rates. Although it was impossible to avert the increase, the Committee made a valiant effort and did obtain somewhat more favorable terms of contract.

The arbitration situation in Rotterdam, the re-working abroad into "lard" of American white grease, and the Hague Rules, so-called, are other important matters that had the careful attention of the Committee during the year.

The Committee also was responsible for the issuance of a revised edition of our trade term definitions for use in foreign commerce.

We now come to those committees and departments of the Institute which guide the industry's relations with the public. These include the Department of Home Economics, the Committee and Department of Nutrition, the Committee on Retail Merchandising and Department of Retail Merchandising, the Committee on Public Rela-

tions and the staff Department of Public Relations and Trade.

Home Economics Activities

Through the preparation of special articles for newspapers, through the holding of demonstrations before home economics students and others, and through the preparation and issuance of booklets and other material dealing with the selection and preparation of meat, it has been possible for the Department of Home Economics to promote a more widespread knowledge of utilizing meat, which is one essential toward an increased consumption of it.

Contacts also have been made with restaurant associations and other large-scale users of meat. This has involved lectures, demonstrations, and the distribution of literature. Lectures also have been given by the Director of the Department before classes later intending to enter hotel work. Important contacts have been established and maintained with colleges and universities.

Nutritional Activities

The Institute's nutritional program, carried on under the direction of the Department of Nutrition, with the counsel of the Committee on Nutrition, has been conducted vigorously during the year.

The Department of Nutrition has continued zealously to correct the mis-statements of individuals about the nutritive value and healthfulness of meat and of advertisers whose statements are widely published. The Department also made a study of factors which affect the moisture content of sausage and developed valuable infor-

mation which was transmitted to the membership.

In addition to carrying on these activities, the Department of Nutrition has supervised the research program of the National Live Stock and Meat Board. This included a study of the value of meat and meat products in blood building being conducted at the University of Rochester, under G. H. Whipple, Dean of the School of Medicine and Dentistry; a comparison of the value of high protein foods in reproduction and lactation which is being conducted at the University of Rochester, under Dr. J. R. Murlin; an investigation at Ohio State University into the effect of meat on body vigor, voluntary activity, and the life span of animals, and an investigation by Dr. E. B. Forbes at the Institute of Animal Nutrition into the iron content of meats.

All of these studies have advanced the scientific knowledge of meats and their place in the diet and have developed information which has received wide publication and which has greatly enhanced the value of meat as a food in the opinion of scientists.

Retail Merchandising Activities

Working under the guidance of the Committee on Retail Merchandising, the Department of Retail Merchandising has carried on a vigorous program during the year.

Perhaps the most important activity in this field was the co-operation extended to the National Association of Retail Meat Dealers in the development of training courses for retailers to be given with the co-operation of the Federal Board for Vocational Education. These courses

are designed to train retailers in fundamental merchandising subjects. The first instructional material has just been issued. It relates to the pricing of fresh meat.

Through the preparation and issuance of frequent special articles on merchandising topics, such as window display and store arrangement, the Department of Retail Merchandising has promoted better merchandising practices throughout the retail meat industry. In addition, through the preparation and issuance of a monthly bulletin for packers' salesmen, it has been possible to disseminate much information on meat merchandising, including information on the food value and wholesomeness of the product.

The Department of Retail Merchandising also has carried on an extensive radio program, broadcasting talks on meat in co-operation with the retail associations in a number of the larger cities of the country.

Public Relations Activities

The Committee on Public Relations and the Department of Public Relations and Trade which functions under the guidance of the Committee also had a busy year. Much of the work incidental to the Institute's participation in the Ham and Bacon Merchandising and Advertising Campaign was handled by this Department.

In addition, the Department continued its efforts to keep the public posted on the facts about the meat industry. This was done by the issuance of frequent news statements and by the preparation and issuance of leaflets and similar material which have been circulated by the hundreds of thousands of copies.

The Department of Public Relations and Trade also developed much material during the course of the year for use by member companies, such as multi-color meat charts, colored leaflets and material designed to promote the use of ready-to-serve meats, and colored leaflets encouraging the use of ham and bacon as gifts at Christmas. By consolidating orders for this material and printing from one set of plates, it has been possible to effect important economies in behalf of the member companies which ordered the material. Thus, in the case of meat charts, the companies which ordered copies shared with a number of other companies the costs of the drawings and plates which amounted to more than \$2,000.

Friendly relations with the public is one requisite to the continued prosperity of any industry.

I believe we can say that as a result of our public relations activities our relations with the public today are more cordial than at any time in the history of the industry. Meat and the meat industry are better understood today than ever before, and it is my firm conviction that this improved public opinion is of as great and direct value to the industry as any of the other benefits from the Institute work which I have enumerated.

Service Laboratory

During the year the Service Laboratory has been put on a self-sustaining basis. The number of samples analyzed has increased from a total of 387 during the first six months of operation to more than 2,500 during the six months ending with last June.

In addition to putting the Laboratory on a self-sustaining basis, it has been possible to add materially to the permanent equipment of the Laboratory.

It is highly encouraging that buyers and brokers generally have come to accept the Laboratory's analytical service fully and to seek it as a basis of sales adjustments.

In addition to providing skilled analytical service at a relatively low rate, the Service Laboratory, with the co-operation of the Department of Packinghouse Practice and Research, has been able to contribute materially to improved operating methods by offering interpretative comment on analyses where required.

Washington and New York Offices of the Institute

The Washington office of the Institute has co-operated vigorously during the year with the Institute staff organization and has performed many services for the membership, ranging from the registration of patents and trade marks to the handling of important negotiations with the Bureau of Animal Industry and other governmental departments.

The New York office likewise has performed many valuable services in the East.

II. The Situation in the Industry

It may be of interest at this time to give brief consideration to the present situation of the live stock and meat industry.

Judging from the figures available for three-quarters of the year, meat production during 1927 probably will be about the same as last year. For the nine months ending with September, the total number of various kinds of animals dressed under Federal inspection this year and last compared as follows:

	1926	1927
Cattle	7,351,016	6,982,209
Calves	3,861,033	3,676,556
Sheep	9,582,739	9,524,043
Hogs	29,656,475	32,107,730

The Export Trade

So far as the export trade is concerned, the current year has been quite unfavorable. The latest figures from the Department of Commerce indicate a decrease of about 26 per cent. in value and 14 per cent. in quantity during the first 8 months of the year as compared with the same period in 1926. Expressed in terms of money, this means a decline in the value of meat and lard exports of more than forty million dollars. Although exports of meats showed the greatest

declines in the aggregate, the value of lard exports dropped about fifteen million dollars, notwithstanding the fact that the total quantity of lard exported showed only a slight decline. This is shown in the following table of exports for eight months of 1926 and 1927:

	1926	1927
Total Meats and Meat Products	lbs. 339,317,342	lbs. 242,447,799
	\$ 70,263,477	\$ 45,315,513
Total Animal Oils and Fats	589,199,790	90,193,431
	928,517,132	\$160,456,908
		799,532,140
		\$118,297,406

Live Stock Prices

Prices of live stock average about the same as those which prevailed a year ago. Cattle recently reached the highest level in 7 years. Good beef animals now are about 25 per cent. higher than a year ago. Prices of calves and lambs are about the same as a year ago, but hog prices, in keeping with lower product prices and a decreased export trade, are about 9 per cent. lower.

Recent prices at Chicago and those of a year ago, compare as follows:

	Week of Oct. 16, 1926	Week of Oct. 15, 1927	Per Cent Difference
	(Prices per 100 pounds)		
Good Beef Cattle	\$10.35	\$12.90	25 Incr.
Calves	15.00	14.25	5 Decr.
Hogs	12.30	11.15	9 Decr.
Lambs	13.45	13.80	2 Incr.

Wholesale Meat Prices

Wholesale prices of pork products generally are considerably lower than a year ago. Smoked hams, for example, are about 25 per cent. lower; bacon 16 per cent. lower; picnics 15 per cent. lower; lard 12 per cent. lower. Fresh pork cuts also are somewhat lower than a year ago.

Prices of lamb and veal are about the same as

a year ago, but beef prices are higher than a year ago, as might be expected in view of the substantial increase in cattle prices.

The following table shows prices for a recent week as compared with the similar week of 1926:

	Week ending Oct 15 1926	1927	Per Cent Changes
	Prices per 100 pounds.		
Choice Beef 700 lbs. down	\$18.10	\$22.75	26 inc.
Good Beef 700 lbs. down	16.60	19.40	17 inc.
Medium Beef	12.80	15.50	21 inc.
Common Beef	11.00	13.00	18 inc.
Good Cows	12.50	14.75	18 inc.
Medium Cows	11.25	13.00	16 inc.
Common Cows	9.75	11.25	15 inc.
Good Veal	22.00	23.00	5 inc.
Choice Lamb 30/42	25.80	25.00	3 dec.
Good Lamb 30/42	23.80	23.00	3 dec.
Hams No. 1 Smoked 14/16 av	34.00	25.50	25 dec.
Bacon No. 1 6/8 av	44.00	37.00	16 dec.
Picnics, smoked, 4/8 av	23.00	17.00	26 dec.
Lard	16.50	14.50	12 dec.
Pork Loins 8/10	31.00	30.50	2 dec.
Shoulders, Fresh	20.00	18.00	10 dec.
Spareribs, Fresh	17.50	16.00	9 dec.
Butts, Boston Style, Fresh	25.25	24.00	5 dec.

The outlook for the industry is more promising, I feel, than it was a few months ago. The protracted hot spell in early September, which assured practically a normal corn crop when a great shortage was considered inevitable, was nothing short of providential. The slackening of the hog run, which then became apparent and which has continued since, has been a great bene-

fit. The decreased production has created a favorable opportunity for merchandising such storage stocks as are available.

Viewing agriculture generally, the surplus problem still seems to be uppermost in the minds of many producers.

Moving Surpluses with Advertising

In connection with the suggestion which I made at the Convention a year ago that nationwide advertising campaigns to move surplus farm products would be helpful in solving the surplus problem of the American farmer, and would be permanently beneficial to agriculture, I should like to point out that the Ham and Bacon Merchandising and Advertising Campaign which the Institute conducted during July and part of August tends to bear out my contention.

Notwithstanding an increase in production of approximately 8 per cent., stocks of sweet pickled regular hams, skinned hams, and bellies were reduced by approximately 10 per cent. from July 1 to September 1. During July, and August last year, when we had no co-operative campaign running, when production was smaller, and when weather conditions were more favorable, stocks of these meats actually increased. It is true that the lower prices which prevailed this year undoubtedly helped to stimulate consumption, but I believe, as I mentioned previously, that they would have gone lower had it not been for the campaign.

I firmly believe that the application of advertising to other agricultural surpluses would have equally beneficial results.

The Corn and Hog Crops

It also is my feeling, so far as the hog producer is concerned, that the surplus problem, which arises periodically, could be largely avoided if it were possible for producers to divorce their hog-raising activities as much as possible from the corn crop and if they could plan more uniform hog production.

The corn crop is today the key to the hog industry. It is a very erratic, nervous crop, full of scares because of the exacting conditions and long period of time required for its maturity. The crop can be heavily injured at any time during its growth, often by rains and frosts even in the last week before ripening. In other words, the dependence of hog raisers solely upon corn keeps them in a constant state of agitation and doubt. They expand hog production when they have corn, and curtail it when it is scarce and high, regardless of the economic demand for pork products.

This abject dependence upon a fickle crop should be reduced by the use of substitute feeds like barley, oats, alfalfa, and other legumes. This would result in a greater stabilization of the hog supply attuned to demand for meat rather than to the supply of corn. A stabilized condition of supply would bring about more orderly marketing and better conditions for producers and packers by lessening the necessity for speculation and the losses incurred thereby. The havoc wrought by the uncertainty of the corn crop is no better illustrated than in the current year, during which the entire country has been kept in an uproar by the capricious antics of the old King.

But there is an additional consideration of perhaps equal importance. Corn produces primarily fat and lard. These compete with vegetable fats produced very much more cheaply and brought in increasing volume from every corner of the globe—cottonseed oil, coconut oil, palm oil, olive oil, soybean oil, et cetera.

The proper chemical treatment of these oils, including hydrogenation, has produced, in enormous quantities, acceptable substitutes for higher-costing animal fats. Moreover, the willingness of the public to eat the fat attached to lean meat is a thing of the past. Women, children, and even men these days fastidiously remove every vestige of fat from a piece of boiled or broiled ham or from a pork chop. The increase in sedentary work and the diminution of hard labor may have something to do with this; it may even be the universal yearning for a more classic contour. At any rate, lean meat is the style, and it is due for no early change. It behooves the packers then, as it behooves the shoe and stocking manufacturers, to conform to these mandates.

Our lard and fats pile up on us all year now, and we are fortunate if we can get them half-way cleaned up before the new deluge comes. The price is generally depressed and entirely dependent upon the supply of the vegetable substitutes. For protracted periods, loose lard has sold under the price of live hogs. Lard and fats are a bugbear, a heavy liability to the packing industry which the lean meats must carry. They must bring higher prices because of this unfortunate fact. If the lean cuts could be sold cheaper by being produced without the present undue admixture of fat, they would be consumed more

heavily, since there is veritably no substitute, in the eyes of the consumer, for good lean meat. As producers of one of the most sincerely liked and beneficial of all foods, lean meat, we are in strong demand; as fat producers we are in decidedly secondary position.

Why, therefore, not concentrate more upon our proper sphere, that of producers and vendors of lean protein tissue? To do this we must breed hogs of the type that make more lean meat, and feed them foods not so high in oil as corn and peanuts.

Much work has been done in this field by the Universities, but the introduction of this principle of lean hog production into American farming has not as yet progressed very far. More energy should be used in promoting this movement, since it would mean a much greater return to the American hog raiser than he can possibly get for the hog he produces today. Furthermore, hogs could be marketed at lighter weights because of the higher proportion of lean. A ham weighing from fourteen to sixteen pounds, could be used for boiling since it would carry as large a nugget of lean as many a ham today weighing from eighteen to twenty pounds. And with less lard produced, it in turn would command better prices.

The results achieved by European, notably Danish, hog raisers since the war is eloquent testimony as to the desirability of the carefully fed "meat-type" of hog. I have been deeply interested by this development, and feel that it has great possibilities for the American farmer and packer, both from the important standpoints of,

first, stabilization of hog supply, second, production of a more salable article.

Economic conditions prevailing in the packing industry during the past year have been far from satisfactory. The trouble has lain more in the unexpected slackening of demand, principally export, than the more usual unexpected increase in supply. We have had again to pass through the sorry situation of declining hog and product prices after the winter season of stock accumulation. Average hog prices in May and June were fully three to four cents per pound under winter levels; boiling hams, attaining an artificial level of 24 cents per pound in February, declined to 16 cents in July and August, the height of the consuming season. It has been a complete reversal of normal expectations, fraught with great danger and anxiety for the industry, and causing grave losses. The situation was ameliorated by the only practical means at our disposal—an advertising campaign to increase domestic demand in order to carry off the large surplus of meats piled up as a result of the heavy diminution of export.

The export situation, it appears to me, holds no promise for early improvement, what with the heavy increase of meat and lard production in Europe. Our price levels are too high; pork is produced more cheaply over there. This situation of declining export demand raises many important problems for the producers and packers of this country which they must address at an early date. Industrial and economic changes come fast these days, a new vigilance is required. The packing industry, through the medium of this Institute, must study more intensively and

scientifically than in the past the many economic problems which beset this difficult business, a group of problems more complex than those confronting the non-perishable industries with controllable supplies of raw materials. Under a vigorous co-operative program, backed by the entire membership, progress can be made, I believe, in the promotion of greater orderliness, in the elimination of waste, and in the advancement of this industry to a better position in the family of major American industries.

In closing, may I say a few words with reference to the personnel of the Institute? The entire staff of the Institute is again deserving of my warmest appreciation for their loyal and competent service to the industry. Under the growingly expert guidance of Mr. Woods and his fine personal example, better and better results are being obtained. The tremendous volume of work and the many crucial problems which the ham and bacon campaign brought on were as complete a test of the gameness and ability of our staff as could be conceived. They came through like soldiers, all of them. I wish to extend to them all the thanks of the industry and my personal gratitude for their support.

Lastly, I wish most sincerely to thank the membership for the gratifying support I have received at all times. Particularly grateful am I to the Central Administrative and Executive Committees and to the hundreds of committeemen, ably led by their respective Chairmen, who have carried forward the detailed work of this association. Their loyalty to the cause of improvement of our industry is an inspiring spectacle, and the progress which has been made is

the result of this spirit. These men are actuated by the conviction that no lasting individual progress is possible unless the industry as a whole progresses, a truth of which the future will bear abundant evidence.

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**END OF
TITLE**